

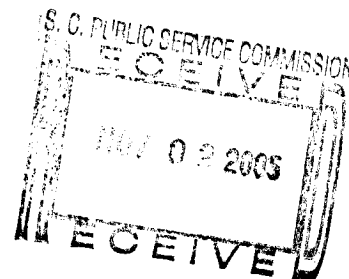
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George Fasano, Jr.
Senior Vice President & Assistant Treasurer

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October 28, 2005




Mr. Charles Terreni
Chief Clerk & Administrator
Public Service Commission of SC
Post Office Drawer 11649
Columbia, SC 29211

Dear Mr. Terreni:

In compliance with PSC Order 2004-510 in Docket No. 2004-6-G, enclosed please find the report on South Carolina Pipeline Corporation's hedging activities for the period 4/28/05 - 5/26/05.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,


George Fasano, Jr.

Enclosures as indicated

N:Word/Hedge Activities PSC

Mark to Market Results
For the Hedging of June 2005 Volumes
4/28 - 5/26
Mark to Market vs. Average Market Price

Contract Settle		6.200							
		Sales		Purchases					
Date	Contracts	Price	Mark to Market	Contracts	Price	Mark to Market	Daily Settle		
1 04/28/05	-	-	\$0	-	-	\$0	6.748		
2 04/29/05	-	-	\$0	-	-	\$0	6.585		
3 05/02/05	-	-	\$0	-	-	\$0	6.697		
4 05/03/05	-	-	\$0	-	-	\$0	6.515		
5 05/04/05	-	-	\$0	-	-	\$0	6.630		
6 05/05/05	-	-	\$0	-	-	\$0	6.691		
7 05/06/05	-	-	\$0	-	-	\$0	6.621		
8 05/09/05	-	-	\$0	-	-	\$0	6.674		
9 05/10/05	-	-	\$0	-	-	\$0	6.694		
10 05/11/05	-	-	\$0	-	-	\$0	6.683		
11 05/12/05	-	-	\$0	-	-	\$0	6.511		
12 05/13/05	-	-	\$0	-	-	\$0	6.536		
13 05/16/05	-	-	\$0	-	-	\$0	6.446		
14 05/17/05	-	-	\$0	-	-	\$0	6.476		
15 05/18/05	-	-	\$0	-	-	\$0	6.392		
16 05/19/05	-	-	\$0	-	-	\$0	6.357		
17 05/20/05	-	-	\$0	-	-	\$0	6.343		
18 05/23/05	-	-	\$0	-	-	\$0	6.407		
<hr/>		0	\$ -	<hr/>		0	\$ -		
						Gain/(Loss) from futures transactions	\$ -		
						Gain/(Loss) from option transactions	\$ (730,400) **		
						Gain/(Loss) from financial transactions	<u>\$ (730,400)</u>		
19 05/24/05	0	0.000	\$0	0	0.000	\$0	6.349		
20 05/25/05	0	0.000	\$0	0	0.000	\$0	6.315		
21 05/26/05	0	0.000	\$0	0	0.000	\$0	6.200		
<hr/>		0	\$0	<hr/>		0	\$0	6.5176	

Program Results

NYMEX Average Market Price	\$ 6.5176
Purchase Price Achieved per Normal Scenario	-
Difference	6.5176
Ratio of Contract in Normal Scenario to Total Contracts in Plan	-
Price Gain (Loss) per Normal Scenario	-
Adjustment for Contracts Purchased per Low-Price Scenario	-
Adjustment for Contracts Purchased per High-Price Scenario	(0.2530)
Total Price Gain (Loss)	(0.2530)
Contracts In Plan	128
Gain (Loss) vs Average Market Price	\$ (323,848)

** - Options purchased as a result of high price-scenario

Purchased 32 call options x .70 premium x 10,000 mmbtu/contract =	\$ (224,000)
Purchased 32 call options x .635 premium x 10,000 mmbtu/contract =	\$ (203,200)
Purchased 48 call options x .48 premium x 10,000 mmbtu/contract =	\$ (230,400)
Purchased 16 call options x .455 premium x 10,000 mmbtu/contract =	\$ (72,800)
Proceeds received from exercise of calls	\$ -

Net gain/(loss) from options transactions	\$ (730,400)
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South Carolina Pipeline Corporation
Risk Management Program Adjustments
Through May 2006

	January	February	March	April	May	Total 2006
Commissions						
Software	3,863	\$ 2,096	\$ 1,714	\$ 2,184	\$ 2,427	\$ 8,421
Subscriptions	4,500	2,433	4,441	5,487	6,881	23,105
Data Feed	1,457	4,500	4,500	-	9,000	22,500
		3,288	1,465	-	1,470	7,680
Non Hedging Addition to Cost of Gas	9,820	12,317	12,120	7,871	19,778	61,706
Hedging Additions(Subtractions)	-	1,704,850	1,877,700	1,800	453,800	3,837,950
Total Risk Management Program Adj.	\$ 9,820	\$ 1,716,967	\$ 1,889,820	\$ 9,471	\$ 473,578	\$ 3,899,666

Results since inception of program

	Aug-Dec 1995	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2005	Total
Commissions												
Software	3,824	\$ 53,121	\$ 83,498	\$ 59,112	\$ 56,199	\$ 50,197	\$ 38,459	\$ 48,415	\$ 42,807	\$ 12,468	\$ 8,421	\$ 457,719
Subscriptions	4,215	9,547	8,847	8,412	8,412	17,083	28,176	21,762	12,082	25,549	23,105	188,190
Data Feed	8,582	23,038	25,878	31,277	31,188	34,387	31,240	31,188	51,054	54,000	22,500	345,130
	2,061	5,286	6,428	5,305	3,575	4,200	4,235	4,413	5,568	6,104	7,880	54,866
Non Hedging Addition to Cost of Gas	19,782	91,002	124,448	104,106	99,374	105,847	103,110	108,798	111,610	98,121	61,706	1,025,905
Hedging Additions(Subtractions)	(284,800)	(3,722,050)	27,450	3,410,280	(838,620)	(4,136,410)	12,884,200	11,012,500	(14,781,610)	2,315,013	3,837,950	9,524,083
Total Risk Management Program Adj.	\$ (264,918)	\$ (3,631,048)	\$ 151,898	\$ 3,514,386	\$ (739,246)	\$ (4,930,563)	\$ 12,787,310	\$ 11,119,298	\$ (14,570,000)	\$ 2,413,134	\$ 3,899,666	\$ 10,549,988

South Carolina Pipeline Corporation
Futures Transactions and Additional Costs Effect on Cost of Gas
Through May 2005

Month	Yr	Cost of Gas Without Futures	Cost of Gas With Futures & Additional Costs	Addition to/ (Subtraction from) Cost of Gas
1995 Total		26,240,595	25,975,777	(264,818)
1996 Total		113,461,568	109,830,520	(3,631,048)
1997 Total		132,211,553	132,363,451	151,898
1998 Total		81,397,552	84,911,918	3,514,366
1999 Total		96,671,309	95,932,063	(739,246)
2000 Total		177,625,268	173,594,705	(4,030,563)
2001 Total		203,284,081	216,071,391	12,787,310
2002 Total		143,116,542	154,235,840	11,119,298
2003 Total		208,851,322	194,181,322	(14,670,000)
2004 Total		214,449,674	216,862,809	2,413,134
January	05	31,376,227	31,386,047	9,820
February	05	31,647,818	33,364,785	1,716,967
March	05	21,587,016	23,276,836	1,689,820
April	05	11,514,840	11,524,311	9,471
May	05	7,597,756	8,071,334	473,578
Total		\$1,501,033,121	\$1,511,583,110	\$ 10,549,988

South Carolina Pipeline Corporation
Program Results
Through June 2005

	January	February	March	April	May	June	Total 2005
NYMEX Average Market Price	\$ 6.9684	\$ 6.1858	\$ 6.1464	\$ 6.9695	\$ 7.2353	\$ 6.5176	\$ -
Purchase Price Achieved per Normal Scenario	-	-	-	-	-	-	-
Difference	6.9684	6.1858	6.1464	6.9695	7.2353	6.5176	-
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	-	-	-	-	-	-	-
Price Gain (Loss) - Normal Scenario	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per Low-Price Scenario	-	(0.8245)	(1.0529)	(0.3527)	(0.0169)	(0.2530)	-
Adjustment for Contracts Purchased per High-Price Scenario	-	(0.8245)	(1.0529)	(0.3527)	(0.0169)	(0.2530)	-
Total Price Gain (Loss)	-	236	193	81	90	128	728
Contracts in Plan	-	-	-	-	-	-	-
Gain (Loss) vs Average Market Price	\$ -	\$ (1,945,820)	\$ (2,032,049)	\$ (285,705)	\$ (16,245)	\$ (323,949)	\$ (4,602,665)

	Aug-Dec 1995	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2005	Total
NYMEX Average Market Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase Price Achieved per Normal Scenario	-	-	-	-	-	-	-	-	-	-	-	-
Difference	-	-	-	-	-	-	-	-	-	-	-	-
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	-	-	-	-	-	-	-	-	-	-	-	-
Price Gain (Loss) - Normal Scenario	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per Low-Price Scenario	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per High-Price Scenario	-	-	-	-	-	-	-	-	-	-	-	-
Total Price Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Contracts in Plan	212	1,359	2,074	2,431	2,327	2,206	2,307	2,266	855	731	728	17,486
Gain (Loss) vs Average Market Price	\$ 49,364	\$ 1,324,047	\$ (131,839)	\$ (1,672,780)	\$ 1,772,863	\$ 1,294,667	\$ (11,388,359)	\$ (12,400,430)	\$ 10,379,773	\$ (1,519,924)	\$ (4,602,665)	\$ (16,894,199)

South Carolina Pipeline Corporation
Contracts Purchased in Advance of Spot Month
Updated Through May 26, 2005

Contract Month	Type of Security	Date Purchased	Sales		Purchases		
			Number of Contracts	Price	Number of Contracts	Price	Total Dollars
July 2005	Call Options	02/25/05	-	\$ -	23	0.590	\$ 135,700
		03/03/05	-	\$ -	18	0.545	\$ 98,100
			-	\$ -	-		\$ -
			-	-	41		\$ 233,800
					<u>Per Contract</u>		<u>Total Dollars</u>
				Purchase price of call options	\$ 0.5702		\$ (233,800)
				Mark to market of outstanding call options	\$ 0.0542		\$ 22,230
				Funds received on sale of call options	\$ -		\$ -
				Total deferred gain/(loss)	\$ (0.5160)		\$ (211,570)
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August 2005	Call Options	02/25/05	-	\$ -	25	0.635	\$ 158,750
		03/03/05	-	\$ -	19	0.610	\$ 115,900
			-	\$ -	-		\$ -
			-	-	44		\$ 274,650
					<u>Per Contract</u>		<u>Total Dollars</u>
				Purchase price of call options	\$ 0.6242		\$ (274,650)
				Mark to market of outstanding call options	\$ 0.1488		\$ 65,450
				Funds received on sale of call options	\$ -		\$ -
				Total deferred gain/(loss)	\$ (0.4755)		\$ (209,200)
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September 2005	Call Options	05/05/05	-	\$ -	5	0.560	\$ 28,000
			-	\$ -	-		\$ -
			-	\$ -	-		\$ -
			-	-	5		\$ 28,000
					<u>Per Contract</u>		<u>Total Dollars</u>
				Purchase price of call options	\$ 0.5600		\$ (28,000)
				Mark to market of outstanding call options	\$ 0.2570		\$ 12,850
				Funds received on sale of call options	\$ -		\$ -
				Total deferred gain/(loss)	\$ (0.3030)		\$ (15,150)
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October 2005	Call Options	05/05/05	-	\$ -	8	0.680	\$ 54,400
			-	\$ -	-		\$ -
			-	\$ -	-		\$ -
			-	-	8		\$ 54,400
					<u>Per Contract</u>		<u>Total Dollars</u>
				Purchase price of call options	\$ 0.6800		\$ (54,400)
				Mark to market of outstanding call options	\$ 0.3710		\$ 29,680
				Funds received on sale of call options	\$ -		\$ -
				Total deferred gain/(loss)	\$ (0.3090)		\$ (24,720)
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November 2005	Call Options	05/05/05	-	\$ -	13	0.770	\$ 100,100
			-	\$ -	-		\$ -
			-	\$ -	-		\$ -
			-	-	13		\$ 100,100
					<u>Per Contract</u>		<u>Total Dollars</u>
				Purchase price of call options	\$ 0.7700		\$ (100,100)
				Mark to market of outstanding call options	\$ 0.5320		\$ 69,160
				Funds received on sale of call options	\$ -		\$ -
				Total deferred gain/(loss)	\$ (0.2380)		\$ (30,940)
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December 2005	Call Options	05/05/05	-	\$ -	28	0.878	\$ 245,840

South Carolina Pipeline Corporation
Contracts Purchased in Advance of Spot Month
Updated Through May 26, 2005

Contract Month	Type of Security	Date Purchased	Sales			Purchases		
			Number of Contracts	Price	Total Dollars	Number of Contracts	Price	Total Dollars
			-		\$ -	-		\$ -
			-		\$ -	-		\$ -
			-		-	28		\$ 245,840
						<u>Per Contract</u>		<u>Total Dollars</u>
						\$ 0.8780		\$ (245,840)
						\$ 0.7100		\$ 198,800
						\$ -		\$ -
						\$ (0.1680)		\$ (47,040)